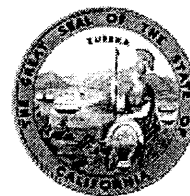


State of California—Health and Human Services Agency  
**Department of Health Services**



California  
Department of  
Health Services

**DIANA M. BONTÁ, R.N., Dr. P.H.**  
Director



**GRAY DAVIS**  
Governor

January 7, 2003

Dear Interested Parties:

**MEDI-CAL OTHER HEALTH COVERAGE IDENTIFICATION AND RECOVERY PROJECT  
REQUEST FOR PROPOSAL 02-26025 ADMINISTRATIVE BULLETIN 1, ADDENDUM 1**

Administrative Bulletin 1 and Addendum Number 1 to the Request for Proposal (RFP) for the Medi-Cal Other Health Coverage Identification and Recovery Project (OHCIR) incorporates changes to this RFP that correct inaccuracies discovered in the review of the RFP. Within the text of the document, changes are highlighted to denote revisions.

Any changes made to the RFP are published as additional or replacement pages to the RFP. Because the RFP is available in hard copy and in an electronic version, two tables are included in this bulletin. The instructions for updating the hard copy version are for the replacement pages enclosed, which are double-sided.

In order to configure the RFP so that it accurately reflects the current requirements and considerations, add the new page or remove the existing page and insert the appropriate replacement page as indicated in the following table:

**HARDCOPY VERSION**

<b>REMOVE EXISTING PAGES</b>	<b>ADD NEW/REPLACEMENT PAGES</b>
RFP Page 5 & 6. Table of Contents	RFP Page 5 & 6. Table of Contents, Section K, i 6)
RFP Page 12. B. Time Schedule, Event, Questions Due.	RFP Page 12. Time Schedule, Event, Questions Due.
RFP Page 13. 2, Question deadline, First sentence.	RFP Page 13. 2, Question deadline, First sentence (DELETED).
RFP Page 25. Section i, Cost Proposal Section 1) first bullet	RFP Page 25. Section i, Cost Proposal Section 1) first bullet
RFP Page 26. 4) Cost Recovery Amount and Annual Recovery Amount. Third paragraph. i, Cost Proposal Section 6).	RFP Page 26. 4) Cost Recovery Amount and Annual Recovery Amount. Third paragraph. i, Cost Proposal Section 6).
RFP Page 27 & 28. d) second paragraph	RFP Page 27 & 28. d) second paragraph

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[www.consumerenergycenter.org/flex/index.html](http://www.consumerenergycenter.org/flex/index.html)

Interested Parties  
Page 2  
January 7, 2003

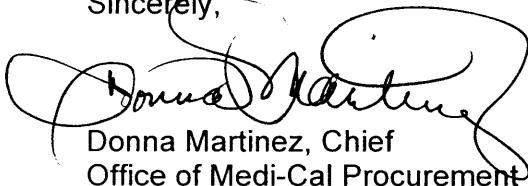
REMOVE EXISTING PAGES	ADD NEW/REPLACEMENT PAGES
RFP Page 33. d. 1)	RFP Page 33. d). 1)
RFP Page 34. 3). C. Proposer Estimated Annual Recovery and Bid Rate – Evaluation Criteria.	RFP Page 34. 3). C. Proposer Estimated Annual Recovery and Bid Rate – Evaluation Criteria.
RFP Page 35 & 36. Top section. 4. Stage 4 - Final Score Calculation.	RFP Page 35 & 36. Top section. 4. Stage 4 – Final Score Calculation.
RFP Page 41. M. Cost Proposal Rating Factors. Question 4.	RFP Page 41. M. Cost proposal Rating Factors. Question 4.
N/A	RFP Page 41.1. Bid Requirement.
RFP Attachment 11	RFP Attachment 11 (revised)
RFP Attachment 12	RFP Attachment 12 (revised)
RFP Attachment 13	RFP Attachment 13 (revised)

#### ELECTRONIC VERSION

REMOVE EXISTING PAGES	ADD NEW/REPLACEMENT PAGES
RFP Page 5 & 6	RFP Page 5 & 6
RFP Page 12	RFP Page 12
RFP Page 13	RFP Page 13
RFP Page 25	RFP Page 25
RFP Page 26	RFP Page 26
RFP Page 27 & 28	RFP Page 27 & 28
RFP Page 33	RFP Page 33
RFP Page 34	RFP Page 34
RFP Page 35 & 36	RFP Page 35 & 36
RFP Page 41	RFP Page 41
N/A	RFP Page 41.1
RFP Attachment 11	RFP Attachment 11 (revised)
RFP Attachment 12	RFP Attachment 12 (revised)
RFP Attachment 13	RFP Attachment 13 (revised)

Thank you for your continued interest in the Medi-Cal Other Health Coverage Identification and Recovery Project procurement effort. If you have any questions, please call (916) 323-7406.

Sincerely,



Donna Martinez, Chief  
Office of Medi-Cal Procurement

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**B. Time Schedule**

Below is the tentative time schedule for this procurement:

<b>Event</b>	<b>Date</b>	<b>Time (If applicable)</b>
RFP Released	12/30/02	
Data Library Opens	12/30/02	
Questions Due	1/8/03	4:00 p.m.
Pre-Proposal Conference	1/10/03	10:00 a.m.
Letter of Intent	1/14/03	4:00 p.m.
Proposal Due Date	2/21/03	4:00 p.m.
Notice of Intent to Award Posted	4/25/03	
Protest Deadline	5/1/03	5:00 p.m.
Contract Award Date	5/2/03	
Proposed Start Date of Agreement	6/1/03	

**C. Contract Term**

The term of the resulting agreement is expected to be thirty-six (36) months and is anticipated to be effective from June 1, 2003 through May 31, 2006. The agreement term may change if DHS makes a selection earlier than expected or if DHS cannot execute the agreement in a timely manner due to unforeseen delays.

The resulting contract will be of no force or effect until it is signed by both parties and approved by the Department of General Services (DGS), if required. The Contractor is hereby advised not to commence performance until all approvals have been obtained. Should performance commence before all approvals are obtained, said services may be considered volunteered if all approvals have not been obtained.

**D. Proposer Questions**

Immediately notify DHS if you need clarification about the services sought or have questions about the RFP instructions or requirements. Put your inquiry in writing and transmit it to DHS as instructed below. At its discretion, DHS reserves the right to contact an inquirer to seek clarification of any inquiry received.

Proposers that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP shall submit a proposal at his/her own risk.

If an inquiry appears to be unique to a single firm or is marked "Confidential", DHS will mail or fax a response only to the inquirer if DHS concurs with the Proposer's claim that the inquiry is sensitive or proprietary in nature. If DHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

### 1. What to include in an inquiry

- a. Your name, your title, name of your firm, mailing addresses, area code and telephone number, and fax number.
- b. A description of the subject or issue in question or discrepancy found.
- c. RFP section, page number or other information useful in identifying the specific problem or issue in question.
- d. Remedy sought, if any.

A proposer that desires clarification about specific RFP requirements and/or whose inquiry relates to sensitive issues or proprietary aspects of a proposal may submit individual inquiries that are marked "Confidential". The Proposer must include with its inquiry an explanation as to why it believes questions marked "Confidential" are sensitive or surround a proprietary issue.

### 2. Question deadline

The DHS will accept inquiries about the following issues up to the proposal submission deadline:

- a. DVBE participation requirements and how to complete the DVBE attachments,
- b. The reporting of RFP errors or irregularities.

Proposers are encouraged to submit written inquiries about this RFP to DHS no later than two (2) working days before the Pre-Proposal Conference date so answers can be prepared in advance. DHS will accept written or faxed inquiries received by **4:00 p.m. on January 8, 2003**. At its discretion, DHS may contact an inquirer to seek clarification of any inquiry received.

### 3. How to submit questions

Submit inquiries using one of the following methods.

<b>U.S. Mail, Hand Delivery or Overnight Express:</b>	<b>Fax:</b>
<b>Questions RFP 02-26025</b> Department of Health Services Office of Medi-Cal Procurement Attention: Jesse Tanguileg 600 North 10 <sup>th</sup> Street, Room 240-C P.O. Box 942732 Sacramento, CA 94234-7320	<b>Questions RFP 02-26025</b> Department of Health Services Office of Medi-Cal Procurement Attention: Jesse Tanguileg  <b>Fax: (916) 323-7456</b>

Proposers submitting inquiries by fax are responsible for confirming the receipt of all faxed materials by the question deadline. Call Jesse Tanguileg, at (916) 323-7406 to confirm faxed transmissions.

#### Proposer Warning

The DHS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you mail your questions, consider using certified or express mail and request a receipt confirming delivery date and time. If you choose hand delivery, allow sufficient time to locate parking and sign-in at the security desk.

- B. A description of the process that you will use to obtain DHS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

h. Take-Over/Start-Up Plan

The Proposer shall submit an explanation of their plan to meet all of the requirements for Take-Over/Start-Up. Please refer to Exhibit A, "Scope of Work" for requirement.

i. Cost Proposal Section

1) Basic content

The cost proposal must be submitted in a separate sealed envelope with the statement "Cost Proposal for RFP 02-26025" written on the outside of the envelope.

The Cost Proposal will consist of the following documents:

- Financial Stability Plan described below.
- Cost Proposal Form described below.

2) General instructions

- a) All cost forms must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections, preferably in blue ink.
- b) This is a contingency based contract, as such DHS will not fund:
  - 1) All unit rates/costs, if any, for each fiscal year.
  - 2) Personnel costs
  - 3) Fringe benefits
  - 4) Operating expenses
  - 5) Equipment expenses
  - 6) Subcontract expenses
  - 7) Travel expenses
  - 8) Other costs
  - 9) Indirect costs

3) Cost proposal

- a) Proposers shall submit a cost proposal at the same time as their technical proposal, which shall include the proposed cost recovery rate.

- b) The Proposer shall prepare and submit one (1) original cost proposal, typewritten or laser printed. The five (5) additional copies of the cost proposal may reflect photocopied signatures and initials. The Contractor's representative, pursuant to the requirements of Delegation of Authority, shall sign the document.

#### 4) Cost Recovery Amount and Annual Recovery Amount

For the purpose of this RFP, the cost proposal is to be expressed as a percentage of actual recoveries to be realized from the health insurance identified and Medi-Cal services billed by the Contractor. This formula is commonly referred to as a "no cost" percentage of recovery. "No cost" refers to the consideration for court costs, legal fees, and case processing activity, which are incorporated into the Contractor's cost recovery rate and will not be paid separately by the State. The cost recovery rate or bid percentage shall not exceed 15 percent of the gross recovery of Medi-Cal paid services. Deviation above this unit shall render a cost proposal non-responsive.

The Proposer's cost recovery rate will remain the same for the duration of the contract.

The Proposer shall submit the Proposer's estimated annual projected recovery amount (Attachment 11). The Proposer's recoveries will be expected to meet the annual projected recovery amount beginning with State fiscal year 2003/2004, year one of the contract.

The DHS will not accept any annual projected recovery amount less than \$5,000,000. Should any cost proposal include an amount less than \$5,000,000 in annual projected recoveries, the cost proposal will be deemed non-responsive and will be disqualified from further consideration in the procurement process.

The Proposer's annual projected recovery amount will be evaluated based on the formula described in Section K, Evaluation and Selection.

#### 5) Cost Proposal Form

The Proposer shall submit the completed Cost Proposal Form, Attachment 11, for the cost recovery rate being bid for this contract.

- a) Enter estimated annual recovery amount.
- b) Enter Proposer's cost recovery rate. The Proposer's cost recovery rate is representative of the fixed percentage the Proposer will receive for each dollar collected. The cost recovery rate shall not exceed 15 percent.
- c) If claiming Small Business Preference (SBP), indicate by checking the box marked "Yes" and include your Small Business Certification number. If not applicable, indicate by checking the box marked "No".
- d) If claiming Target Area Contract Preference (TACPA) and or EZA, indicate "Yes", and attach appropriate documentation. If not applicable, indicate "No".
- e) Sign and print name, title and date accordingly.

#### 6) Financial Stability Plan



The Proposer shall submit a financial stability plan incorporating the data listed below for the past three corporate fiscal years of the Proposer and the interim period from the end of the last full fiscal year up to and including the date specified for submission of technical proposals.

If the Proposer is a subsidiary of any other legal entity and the financial resources of the Parent Corporation are required to qualify the subsidiary for competition under this procurement, the financial stability submission requirements for this section shall apply to the Parent Corporation.

- a) A Proposer's annual certified financial statements for the last three fiscal years, accompanied by an independent certified public accountant's report, certificate, or opinion.
- b) Public interim financial statements for the interim period from the end of the last full fiscal year up to and including the month prior to submission of technical proposals. The State does not require submittal of interim statements for the last three fiscal years for which annual reports are submitted.
- c) A projected pro forma financial statement and statement of changes in financial position for the next three years predicted upon operation without the award of this contract.
- d) A detailed financial plan and proposed cash flow budget demonstrating the availability and source of sufficient funds to cover the Proposer's projected operation costs without risk of insolvency were the Proposer to provide the contractual services under the contract period.

All financial data submitted in the Financial Stability Plan in connection with this RFP shall be accompanied by a signed statement from the Proposer's or parent corporation's Chief Executive Officer and Chief Financial Officer, or Contractor's Representative, certifying that the data is current, accurate, and complete.

Proposer must include an organization history of claims of bankruptcy, receivership, questioned costs, repayment of funds, failure to fulfill contract, and criminal or civil legal actions that name the organization or administrative/supervisory staff, that have occurred during the past five years.

j. Appendix Section

Place the following documentation in the Appendix section of your proposal in the order shown on next page.

1) **Proof of Corporate status**

If the Proposer is a Corporation, submit a copy of your firm's most current Certificate of Status issued by the State of California, Office of the Secretary of State. Submit an explanation if you cannot submit this documentation. Unless otherwise specified, do not submit copies of your firm's Bylaws or Articles of Incorporation.

2) **Proof of Non-profit status**

Non-profit organizations must prove they are legally eligible to claim "non-profit" and/or tax-exempt status by submitting a copy of an IRS determination letter indicating

non-profit or 501 (3)(c) tax-exempt status. Submit an explanation if you cannot supply this documentation.

**3) An organization chart**

The organizational chart must show the lines of authority and reporting relationships within your organization; including the relationship between management and subcontractors, and/or independent consultants, if any.

**4) Financial statements**

Submit copies of financial statements for the past three years or most recent thirty-six (36) month period.

- a) Annual income statement(s), and
- b) Quarterly **or** annual balance sheets

Audited statements are preferred, but not required. If you supply audited financial statements, all noted audit exceptions must be explained. DHS will accept financial statements prepared by your financial accounting department, accounting firm or an auditing firm. A statement signed by your Chief Financial Officer certifying that the financial statements are accurate and complete must accompany all financial statements.

**5) Staff resumes**

Resume specifications appear in the Project Personnel section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.

**6) Subcontractor/Consultant resumes**

Submit a resume for each pre-identified subcontractor or independent consultant, if any, as discussed in the Project Personnel section. To the extent possible, resumes should not include personal information such as a social security number, home address, home telephone number, marital status, sex, birth date, age, etc.

**7) Subcontractor/Consultant letters of agreement**

For each pre-identified subcontractor and independent consultant that will be used to perform services under the resulting contract, submit a letter of agreement to work on this project.

A letter of agreement must be signed by an official representative of each subcontracted firm or independent consultant, indicating his or her acknowledgement of being named as a subcontractor or consultant, their availability to work on this project, and acknowledgement that they have read or been made aware of the proposed contract terms, conditions and exhibits. Include an explanation if you cannot obtain a letter of agreement from each pre-identified subcontractor and consultant and indicate when a letter of agreement will be forthcoming.

**8) Conflict of Interest Compliance Certificate**

Points	Interpretation	General basis for point assignment
3	Excellent or Outstanding	Proposal response (i.e., content and/or explanation offered) is above average or exceeds DHS' needs/requirements or expectations. Minimal weaknesses are acceptable. Proposer offers one or more enhancing feature, method or approach that will enable performance to exceed our basic expectations.

c. In assigning points for individual rating factors, raters may consider issues including, but not limited to, the extent to which a proposal response:

- 1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or
- 2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or
- 3) Demonstrates that the Proposer understands DHS' needs, the services sought, and/or the contractor's responsibilities, and/or
- 4) Illustrates the Proposer's capability to perform all services and meet all Scope of Work requirements, and/or
- 5) If implemented, will contribute to the achievement of DHS' goals and objectives, and/or
- 6) Demonstrates the Proposer's capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

d. Below are the point and weight values for each rating category that will be scored.

- 1) Proposals, ~~excluding the Cost Section~~, will be scored on a scale of 0 to 216 points, as follows:

<u>Rating Category</u>	<u>Points</u>	<u>X</u>	<u>Weight</u>	<u>=</u>	<u>Total</u>
Executive Summary	15	X	1.0	=	15
Agency Capability	24	X	1.0	=	24
Work Plan	24	X	1.0	=	24
Management Plan	15	X	2.0	=	30
Take-Over/Start-Up	33	X	1.0	=	33
Scope of Work	90	X	1.0	=	90
<b>Grand Total</b>					<b>216</b>

- 2) DHS will consider a proposal technically deficient and non-responsible if the proposal earns a score that is less than **151** points. Non-responsible proposals will not advance to Stage 3.

### 3. Stage 3 – Scoring the Cost Section

- a. Proposers that earned a passing score in Stage 2 will have the Cost section of their proposal scored and/or evaluated according to the process described herein.

The cost proposal evaluation will include the following steps:

- 1) Opening of the cost proposals.
- 2) Review for completeness and compliance with RFP instructions. Each cost proposal shall be reviewed to ensure that it is complete and the calculations are accurate. Submission of a complete cost proposal in the State's prescribed format is mandatory. If a Proposer fails to comply, the cost proposal shall be determined non-responsive. Errors in bids will be handled in the manner prescribed below.
- 3) Points assigned based on criteria listed in Section K, 3. c. Proposer's Estimated Annual Recovery and Bid Rate.

b. Errors in the Cost Proposal Response

If discrepancies between sections, arithmetic, or transposition errors are identified in a submitted cost proposal, the State may, at its option, retain the cost proposal and correct any said errors by interpreting the cost proposals as follows:

- 1) The lowest level of detail will prevail in any discrepancy. In any case, when summary totals do not correspond with the arithmetic of the component parts, the component parts shall prevail.
- 2) If the re-computations or interpretations applied above result in significant changes in the money to be paid to a Contractor, the affected Proposers will be notified prior to contract award.

c. Proposer Estimated Annual Recovery and Bid Rate – Evaluation Criteria

A projection of the Proposer Estimated Annual Recovery and the Proposer's Percentage Bid Rate must be submitted as part of the cost proposal (Attachment 11). The recoveries shall result from the activities of the contract.

The evaluation of each of these figures will be calculated as follows. Points will be awarded based on deviations from the median of all qualifying figures. The median figure will be awarded a set number of points. Each qualifying proposer above and below the median figure will be awarded points commensurate with its comparison with the median figure. (Note: a higher recovery figure is favored and a lower bid rate is favored for these calculations).

**Example:**

The following three recovery proposals are being evaluated:

Proposer A:	\$5,000,000 anticipated recoveries	$5/7 = .7142 \times 14 = 9.9988$ points
Proposer B:	\$7,000,000 anticipated recoveries	$7/7 = 1 \times 14 = 14$ points
Proposer C:	\$10,000,000 anticipated recoveries	$10/7 = 1.4285 \times 14 = 19.9990$ points

The median figure will receive 14 points. No more than 27 points will be awarded to any proposer for this category. Proposer B is the median for the anticipated annual recovery; therefore, they will be awarded 14 points. Proposer A will receive 9.9988 points and Proposer C will receive 19.9990 points.

The following three bid rate proposals are being evaluated:

Proposer A:	Bid Rate 8%	$10/8 = 1.25$	$\times 50 = 62.50$ points
Proposer B:	Bid Rate 10%	$10/10 = 1$	$\times 50 = 50$ points
Proposer C:	Bid Rate 12 %	$10/12 = .8333$	$\times 50 = 41.6650$ points

The median figure will receive 50 points. No more than 99 points will be awarded to any proposer for this category. Proposer B is the median for the proposed bid rate, therefore, they will be awarded 50 points. Proposer A will receive 62.50 points and Proposer C will receive 41.6650 points.

#### 4. Stage 4 – Final Score Calculation

The DHS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

$$\begin{array}{r} \text{Technical Score} \\ + \\ \text{Cost Score} \\ \hline = \\ \text{Total Point Score} \end{array}$$

#### 5. Stage 5 – Adjustments to Score Calculation for Bidding Preferences

- The DHS will determine which firms, if any, are eligible to receive a bidding preference (i.e., small businesses, TACPA, and/or EZA).
- To confirm the identity of the highest scored responsible Proposer, DHS will adjust the total proposal costs for applicable claimed preferences and will readjust the cost score of those Proposers eligible for bidding preferences. DHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the DGS. More information about the allowable bidding preferences appears in the RFP section entitled, "Preference Programs".

#### L. Technical Proposal Rating Factors

Raters will use the following criteria to score the Technical Proposal.

##### 1. Executive Summary

Executive Summary Rating Factors	Points Possible	Points Earned
To what extent did the Proposer express, in its own words, its understanding of DHS' needs and the importance of this project?  <b>Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.</b>	3	
To what extent did the Proposer demonstrate the tangible results that it expects to achieve?  <b>Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.</b>	3	
To what extent did the Proposer express a sincere commitment to perform this work in an efficient and timely manner?	3	

<b>Executive Summary Rating Factors</b>	<b>Points Possible</b>	<b>Points Earned</b>
To what extent did the Proposer demonstrate that it can effectively integrate this project into its current obligations and existing workload?	<b>3</b>	
To what extent did the Proposer adequately explain why it should be chosen to undertake this project at this time?	<b>3</b>	
<b>Executive Summary Score</b> _____ <b>Points earned X 1.0 =</b> _____		

**15 possible points****2. Agency Capability**

<b>Agency Capability Rating Factors</b>	<b>Points Possible</b>	<b>Points Earned</b>
Upon reviewing the Proposer's description of its business history, to what extent are the Proposing firm's goals relevant, closely related, or will their goals complement this project?	<b>3</b>	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in previous health coverage identification and recovery experience?	<b>3</b>	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in previous pharmaceutical and/or emergency service claims billing and recovery experience?	<b>3</b>	
From the experience described in its proposal, to what extent does the Proposer possess sufficient Medi-Cal or Medicaid contract experience in the start up of an existing Medicaid health coverage identification and recovery system?	<b>3</b>	
From the experience described in its proposal, to what extent does the Proposer possess sufficient Medicare experience in the start up of an existing Medicare health coverage identification and recovery system?	<b>3</b>	
From the experience described in its proposal, to what extent does the Proposer possess sufficient experience in start up, design, development, installation, operation and modification of health coverage identification, post-payment recovery systems or other data processing systems?	<b>3</b>	
To what extent has the Proposer identified that this contract would be of a high priority to the Proposer?	<b>3</b>	
Based on a review of the Proposer's information about its prior accounts or work projects in the past 5 years, to what extent did the Proposer demonstrate that it has performed services that were similar in nature or closely related to the RFP Scope of Work?	<b>3</b>	
<b>Agency Capability Score</b> _____ <b>Points Earned X 1.0 =</b> _____		

**24 possible points****3. Work Plan**

<b>Work Plan Rating Factors</b>	<b>Points Possible</b>	<b>Points Earned</b>
To what extent are the Proposer's overall approaches and/or methods comprehensive and/or technically sound?	<b>3</b>	

**M. Cost Proposal Rating Factors**

Raters will use the following criteria to score the Cost Proposal.

<b>Cost Proposal</b>	<b>Points Possible</b>	<b>Points Earned</b>
Upon reviewing the Cost Proposal and Cost Proposal form, has the Proposer expressed a reasonable percentage of recovery?	<b>3</b>	
Upon reviewing the Cost Proposal and Cost Proposal form, did the Proposer propose to maintain the same cost recovery rate throughout the contract?	<b>3</b>	
Upon reviewing the Cost Proposal and Cost Proposal form, did the Proposer include an annual projected recovery amount?	<b>3</b>	
Upon reviewing the Cost Proposal and Cost Proposal form, does the Proposer's estimated annual recoveries meet and/or exceed the annual projected recovery amount of \$5,000,000 for fiscal year 2003/2004?	<b>3</b>	
Do the methodologies and figures supplied by the Proposer show that the rate is reasonable and/or appropriate?	<b>3</b>	
Upon reviewing the proposed rate, does the rate appear to be reasonable based upon the assigned level of responsibility and history?	<b>3</b>	
Upon reviewing the Proposer's financial statements in the Appendix Section, to what extent is the Proposer financially stable and sound?	<b>3</b>	
Upon reviewing the Proposer's financial statements in the Appendix Section, does the Proposer show that it has the ability to generate sufficient positive cash flow from other ongoing operations and/or sufficient working capital to cover the lapse between the time the Contractor incurs costs and DHS makes payments in connection with such costs? This includes the ability to endure cash flow shortages or other financial difficulties, which might otherwise have a significant adverse effect upon the Contractor's operations and interfere with the Contractor's ability to satisfy its obligations under this contract.	<b>3</b>	
Does the Proposer show the ability to establish and maintain sufficient tangible net worth to provide for unexpected fluctuations or trends in incurred Medi-Cal claims costs, or any other cost overruns, or to withstand payment delays or liquidated damage assessments?	<b>3</b>	
Does the Proposer show it has sufficient financial resources to maintain the required capital investment in this project until DHS accepts the deliverables for takeover?	<b>3</b>	
Does the Proposer show that it has sufficient tangible net worth and working capital to ensure: <ul style="list-style-type: none"> <li>• That each major task is completed during takeover?</li> <li>• The ongoing operation of the system?</li> <li>• The turnover of the system to the successor Contractor that is in accordance with RFP requirements?</li> </ul>	<b>3</b>	
Are the Proposer's capital resources available for use in performing this contract?	<b>3</b>	

Cost Proposal		Points Possible	Points Earned
Cost Evaluation	(18 possible points) _____	Points earned X 0.5 =	_____
Anticipated Recoveries	(27 possible points) _____	Points earned X 1.0 =	_____
Bid Rate Proposals	(99 possible points) _____	Points earned X 1.0 =	_____
Total Cost Score			_____
		144 possible points	

**Note:** The balance of this page has been intentionally left blank



## **N. Bid Requirements and Information**

### **1. Non-responsive proposals**

In addition to any condition previously indicated in this RFP, the following occurrences **may** cause DHS to deem a proposal non-responsive.

- a. Failure of a Proposer to:
  - 1) Meet DVBE participation goals or to demonstrate that a substantial Good Faith Effort (GFE) was made to meet those goals.
  - 2) Meet proposal format/content or submission requirements including, but not limited to, the sealing, labeling, packaging, and/or timely and proper delivery of proposals.
  - 3) Pass the Required Attachment/Certification Checklist review (i.e., by not marking "Yes" to applicable items or by not appropriately justifying, to DHS' satisfaction, all "N/A" designations).
  - 4) Submit a **mandatory** Letter of Intent in the manner required.
  - 5) Submit a **mandatory** Conflict of Interest Compliance Certificate in the manner required.
- b. If a Proposer submits a proposal that is conditional, materially incomplete or contains material defects, alterations or irregularities of any kind.
- c. If a Proposer supplies false, inaccurate or misleading information or falsely certifies compliance on any RFP attachment.
- d. If DHS discovers, at any stage of the bid process or upon contract award, that the Proposer is unwilling or unable to comply with the contract terms, conditions and exhibits cited in this RFP or the resulting contract.
- e. If other irregularities occur in a proposal response that is not specifically addressed herein (i.e., the Proposer places any conditions on performance of the Scope of Work, submits a counter proposal, etc.).

### **2. Proposal modifications after submission**

- a. All proposals are to be complete when submitted. However, an entire proposal may be withdrawn and the Proposer may resubmit a new proposal.
- b. To withdraw and/or resubmit a new proposal, follow the instructions appearing in the RFP section entitled, "Withdrawal and/or resubmission of Proposals".

### **3. Withdrawal and/or resubmission of proposals**

- a. Withdrawal deadlines

A Proposer may withdraw a proposal at any time before the proposal submission deadline.

- b. Submitting a withdrawal request

### Cost Proposal Form

The undersigned proposer hereby agrees to perform the activities outlined in the Scope of Work for the rate specified and to produce the following estimated annual recoveries indicated below:

Contract Year	Time Frame	Bid Rate	Estimated Annual Recoveries
One	6/1/03 through 5/31/04	%	\$
Two	6/1/04 through 5/31/05	%	\$
Three	6/1/05 through 5/31/06	%	\$
Four	6/1/06 through 5/31/07	%	\$
Five	6/1/07 through 5/31/08	%	\$

Is the proposer claiming preference as a certified California small business or microbusiness?

☐ Yes   ☐ No

Is the proposer claiming TACPA preference?

☐ Yes   ☐ No

Is the proposer claiming EZA preference?

☐ Yes   ☐ No

The undersigned proposer hereby affirms that the statements/claims made in this cost proposal are true and accurate to the best of the proposer's knowledge. By signing this cost proposal the undersigned hereby claims his/her willingness to certify to and comply with all requirements contained in this Request for Proposal (RFP) and all RFP attachments/forms. The undersigned recognizes that their cost proposal shall become a matter of public record upon submission and will be open to public inspection.

Name of firm: \_\_\_\_\_

Street address: \_\_\_\_\_

City/State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone number:    \_(\_\_\_\_)\_\_\_\_\_

Facsimile number:    \_(\_\_\_\_)\_\_\_\_\_

Printed name    : \_\_\_\_\_ Title: \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Attachment 12**  
**PROPOSAL RESPONSE GUIDE**

NAME OF PROPOSER: \_\_\_\_\_

NUMBER OF VOLUMES CONSTITUTING TECHNICAL PROPOSAL: \_\_\_\_\_

RFP REQUIREMENT	RFP REFERENCE	PROPOSER'S RESPONSE LOCATION
Technical Proposal Transmittal Letter		
Technical Proposal Table of Contents		
Executive Summary		
Proposal Response Guide		
Attestation of Understanding/Agreement Form		
Start-Up Plan		
Proposed Annual Recovery Methodology		
Proposer Capability Plan		
Financial Stability Plan		
Organization and Staffing Plan		
Scope of Work Submissions		
Statement of Compliance (Non-Discrimination)		
Drug-Free Workplace Act of 1990		
Limitations on Payments to Influence Certain Federal Actions and Related Disclosures		
Certification Regarding Lobbying		
Authority to Verify Proposer's Information		
Cost Proposal Form		
Small Business (if applicable)		
TACPA (if applicable)		

**Conflict of Interest Compliance Certificate**

- A. The State and DHS intends to avoid conflicts of interest or the appearance of conflicts of interest on the part of the Contractor, subcontractors, or employees, officers and directors of the Contractor or subcontractors. Thus, the State and DHS reserves the right to determine, at its sole discretion, whether any information received from any source indicates the existence of a conflict of interest.
- B. The following instance would be considered a "conflict of interest", including, but not limited to any instance in the past, present or future:
1. An instance where the proposer/Contractor or any of its subcontractors, or any employee, officer, or director of the proposer/Contractor or any subcontractors holds a position of interest, financial or otherwise, which would allow use or disclosure of information obtained while performing services for private or personal benefit or for any purpose that is contrary to the goals and objectives of the contract.
- C. If DHS is aware of a known or suspected conflict of interest, the proposer or Contractor will be given an opportunity to submit additional information or to resolve the conflict. A proposer or Contractor with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by DHS to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by DHS and cannot be resolved to the satisfaction of DHS, before or after the award of the contract, the conflict will be grounds for the proposal to be deemed nonresponsive and/or termination of the contract.
- D. The proposer shall place this Certificate in the Appendix Section of its proposal response. This Certificate shall bear the original signature of an official or employee of the proposer who is authorized to bind the proposer.
- E. This Certificate will be incorporated into the contract, if any, awarded from this RFP. It is understood that this requirement shall be in effect for the entire term of the contract. The Contractor shall obtain a completed Certificate from any proposed subcontractor and submit it to DHS prior to approval of the subcontractor by DHS.
- F. The Contractor and each subcontractor shall notify DHS, Third Party Liability Branch, P.O. Box 1287, Sacramento, CA 95812-1287 within ten working days of any change to the information provided on this Certificate.
- G. DHS' determination of a suspected or potential conflict of interest will be based on all of the proposer's business affiliations and contractual relationships.

If the proposer has a suspected or potential conflict of interest, the proposer shall attach to this form a description of the relationship, a plan for ensuring that such a relationship will not adversely affect DHS, and procedures to guard against the existence of an actual Conflict of Interest.

**The undersigned hereby affirms that: (check one)**

- ☐ The statements above have been read and that no conflict of interest exists that would jeopardize the ability of the proposer/Contractor to perform its contractual duties free from undue influence.
- ☐ A suspected or potential conflict of interest does exist, and additional information (as described B.3. above) is attached along with a plan to address the possible conflict of interest.

**Signed:** \_\_\_\_\_ **Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Type or Print Name of Authorized Representative:** \_\_\_\_\_